

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

CHRISTINE REEVES, *also known as*
CHRISTINE NEWMAN

and

VCARE USA LLC,

Defendants.

No. 2:19-cv-325

COMPLAINT

Plaintiff, the United States of America, by and through its undersigned attorneys, brings this complaint against Defendants CHRISTINE REEVES, also known as CHRISTINE NEWMAN, and VCARE USA LLC, and alleges the following:

I. NATURE OF THIS ACTION

1. Starting as early as 2016 and continuing to the present, Defendants have and continue to conduct United States operations of a large-scale technical-support fraud scheme based in India that targets consumers throughout the United States. Defendants have furthered the scheme by collecting money from victims and then transmitting money to accomplices in

1 India and the United States, knowing that their transactions involve the proceeds of a scheme to
2 defraud and that they promote and further that scheme, as well as conceal the ownership and
3 control of those proceeds.

4 2. The scheme operates by fraudulently inducing consumers to purchase phony or
5 otherwise misrepresented technical-support services related to computers or other electronic
6 devices, often by falsely representing to consumers that their devices are infected by software
7 viruses or other malicious intrusions.

8 3. The United States seeks to prevent continuing and substantial injury to the
9 United States and victims by bringing this action for a permanent injunction and other equitable
10 relief under 18 U.S.C. § 1345. The United States seeks to enjoin the ongoing commission of
11 wire fraud in violation of 18 U.S.C. § 1343 and the ongoing commission of banking law
12 violations as defined in 18 U.S.C. § 3322(d), including money laundering in violation of 18
13 U.S.C. § 1956(a)(1) and international money laundering in violation of 18 U.S.C. § 1956(a)(2).

14 **II. JURISDICTION AND VENUE**

15 4. This Court has jurisdiction over this action under 18 U.S.C. § 1345 and 28
16 U.S.C. §§ 1331 and 1345.

17 5. The United States District Court for the Western District of Washington is a
18 proper venue for this action under 28 U.S.C. § 1391(b)(1) & (b)(2) because Defendants are
19 residents of this district and because a substantial part of the events or omissions giving rise to
20 this Complaint occurred in this district.

21 **III. PARTIES**

22 6. Plaintiff is the United States.
23

7. Defendant Christine Reeves (“Reeves”), also known as Christine Newman, is a resident of this district, residing in Gold Bar, Snohomish County, Washington. In connection with the matters alleged herein, Defendant Reeves transacts and has transacted business in this district.

8. Defendant Reeves formed VCare USA LLC (“VCare”), a Washington State limited liability company, on or about August 9, 2016, with Defendant Reeves as the sole member of the LLC. Its principal place of business is in Gold Bar, Snohomish County, Washington. In connection with the matters alleged herein, Defendant VCare transacts and has transacted business in this district.

IV. FACTS

A. Defendants' Ongoing Fraudulent Scheme

9. Since at least 2016, Defendants have conducted U.S. operations of a large-scale technical-support fraud scheme that targets consumers throughout the United States. Defendants further the scheme by processing fraudulently induced consumer payments for the scheme, transmitting proceeds to accomplices in India and the United States, and generally providing a veneer of domestic legitimacy.

10. As part of the scheme, telemarketers in India use telephone numbers, email addresses, and the infrastructure maintained by Defendants to contact consumers and induce them to pay money for phony technical-support services and other false purposes. Telemarketers working for the scheme fraudulently pose as technicians to induce consumers, including principally elderly consumers, to purchase phony or otherwise misrepresented technical-support services, and to make further payments based on additional fraudulent misrepresentations. Telemarketers contact consumers by means such as placing cold calls; and

1 by using pop-up advertisements disguised as security alerts on computers or other electronic
2 devices that direct consumers to immediately call a telephone number to protect their computer
3 or other electronic device. The telemarketers often falsely claim to work for or be affiliated
4 with large, well-known technology companies.

5 11. Once a telemarketer has a consumer on the phone, the telemarketer emphasizes
6 the need for immediate action, and claims that the consumer's computer is at risk and that the
7 telemarketer can assist but first needs remote access to the computer or device. Once remotely
8 connected, the telemarketer purports to confirm the existence of a serious computer virus or
9 other threat to the consumer's computer or device, sometimes claiming that hackers have
10 already taken over the consumer's computer or email accounts. Imparting a sense of urgency,
11 the telemarketer then claims that he will install expensive and high-quality network security
12 software to resolve the threat in exchange for a substantial sum of money.

13 12. After purportedly installing high-quality network security software, the
14 telemarketer instructs the consumer to pay, generally by personal check or bank transmission to
15 Defendant Reeves or Defendant VCare USA LLC. Each consumer is charged between several
16 hundred and several thousand dollars.

17 13. At times during the scheme, consumers who have already paid Defendants once
18 for technical-support receive subsequent calls, during which telemarketers working for the
19 scheme give consumers phony new reasons they must purchase additional security software to
20 avoid serious new computer viruses or other threats to their devices.

21 14. Defendants facilitate the wire fraud scheme by (a) maintaining the schemes'
22 infrastructure, including (b) receiving victim payments and (c) generally providing a veneer of
23 domestic legitimacy.

B. Defendants' Ongoing Banking Law Violations

15. Defendants conduct financial transactions to benefit one or more international fraud schemes, knowing that the money they receive and transmit are obtained fraudulently, and knowing that their transactions are designed to conceal the schemes.

16. Beginning at least as early as 2016, Defendants have knowingly and willingly accepted over \$100,000 from multiple sources and then transmitted most of that money to accomplices.

17. During 2018 alone, Defendants transmitted tens of thousands of dollars to accomplices in India.

C. Defendant's Knowledge of Fraud and Intent to Conceal the Nature, Source, Location, Ownership, or Control of Proceeds

18. On information and belief, Defendants have engaged in the financial transactions alleged in Paragraphs 7 through 17 with the knowledge that the moneys they receive from and transmit to accomplices are obtained by fraud schemes or other specified unlawful activity.

19. On information and belief, Defendants have engaged in the financial transactions alleged in Paragraphs 7 through 17 with the intent to conceal the nature, source, location, ownership, or control of proceeds.

D. Harm to Consumers

20. Consumers suffer financial losses from the wire fraud scheme and money laundering facilitated by Defendants. Those victimized by the scheme reside across the United States. Defendants are continuing to facilitate the technical-support fraud scheme. Absent

1 injunctive relief by this Court, Defendants' conduct will continue to cause injury to consumers
2 across the United States.

3
4 **E. Harm to the United States**

5 21. The United States is suffering continuing and substantial injury from
6 Defendants' wire fraud and banking law violations.

7 22. Defendants are continuing to facilitate wire fraud and banking law violations.
8 Absent injunctive relief by this Court, Defendants will continue to cause continuing and
9 substantial injury to the United States and victims.

10 **COUNT I**

11 **(18 U.S.C. § 1345 – Injunctive Relief)**

12 23. The United States re-alleges and incorporates by reference Paragraphs 1 through
13 22 of this Complaint as though fully set forth herein.

14 24. By reason of the conduct described herein, Defendants have violated, are
15 violating, and are about to violate 18 U.S.C. § 1343 by executing a scheme and artifice to
16 defraud for obtaining money or property by means of false or fraudulent representations with
17 the intent to defraud, and, in so doing, use interstate and foreign wire communications.

18 25. By reason of the conduct described herein, Defendants have committed, are
19 committing, and are about to commit banking law violations as defined in 18 U.S.C. § 3322(d),
20 including money laundering with intent to promote the carrying on of a specified unlawful
21 activity and to conceal in violation of 18 U.S.C. § 1956(a)(1)(A) & (B)(i), and international
22 money laundering with intent promote the carrying on of a specified unlawful activity and to
23 conceal in violation of 18 U.S.C. § 1956(a)(2)(A) & (B)(i).

1 26. Because Defendants are committing or about to commit wire fraud contrary to
2 18 U.S.C. § 1343 and banking law violations as defined in 18 U.S.C. § 3322(d), the United
3 States is entitled, under 18 U.S.C. § 1345, to seek a preliminary and permanent injunction
4 restraining all future fraudulent conduct and all future banking law violations and any other
5 action that this Court deems just to prevent a continuing and substantial injury to the United
6 States and consumers.

7 27. As a result of the foregoing, Defendants' conduct should be enjoined pursuant to
8 18 U.S.C. § 1345.

9 **V. PRAYER FOR RELIEF**

10 WHEREFORE, Plaintiff, United States of America, requests of the Court the following
11 relief:

12 A. That the Court issue a preliminary and permanent injunction, pursuant to 18
13 U.S.C. § 1345, ordering that Defendants, their agents, officers, and employees,
14 and all other persons or entities in active concert or participation with them are
15 restrained from:

16 (1) using wire communications in interstate or foreign commerce for the
17 purpose of executing any scheme and artifice to defraud, or for obtaining
18 money or property by means of false or fraudulent pretenses,
19 representations, or promises;

20 (2) conducting or purporting to conduct any consumer technical-support
21 services; and
22
23

(3) engaging, participating, or assisting in money laundering, international money laundering, structuring transactions to evade transaction reporting requirements, and any money transmitting business; and

B. That the Court order such other and further relief as the Court shall deem just and proper.

Respectfully submitted this 5th day of March, 2019.

GUSTAV W. EYLER
Acting Director
Consumer Protection Branch

By: /s/ Daniel K. Crane-Hirsch
Daniel K. Crane-Hirsch
Consumer Protection Branch
United States Department of Justice
P.O. Box 386
Washington, DC 20044
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Fax: 202-514-8742
Email: daniel.crane-hirsch@usdoj.gov

BRIAN T. MORAN
United States Attorney

/s/ Kayla C. Stahman
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United States Attorney's Office
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Fax: 206-553-4067
Email: kayla.stahman@usdoj.gov

Counsel for United States of America

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he is an employee in the Office of the United States Attorney for the Western District of Washington and is the person of such age and discretion as to be competent to serve papers;

It is further certified that on this day, I mailed by United States Postal Service said pleading to Defendants, addressed as follows:

Christine Reeves
VCare USA LLC
15606 Goldbar Dr.
Gold Bar, WA 98251-9572

Dated this 5th day of March, 2019.

/s/ Thomas Everett
THOMAS EVERETT
Paralegal
United States Attorney's Office
700 Stewart Street, Suite 5220
Seattle, Washington 98101-1271
Phone: (206) 553-7970
Fax: (206) 553-0882
E-mail: thomas.everett@usdoj.gov

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

UNITED STATES OF AMERICA

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Daniel K. Crane-Hirsch
Department of Justice, Consumer Protection Branch
PO Box 386, Washington, DC 20044-0386, 202-616-8242

DEFENDANTS

CHRISTINE REEVES, also known as CHRISTINE NEWMAN, and VCARE USA LLC

County of Residence of First Listed Defendant Snohomish

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation - Transfer ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

18 U.S.C. § 1345

Brief description of cause:

Anti-Fraud Injunction Statute

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☒ No**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE _____

DOCKET NUMBER _____

DATE

03/05/2019

SIGNATURE OF ATTORNEY OF RECORD

/s/ Daniel K. Crane-Hirsch

FOR OFFICE USE ONLY

RECEIPT # _____

AMOUNT _____

APPLYING IFP _____

JUDGE _____

MAG. JUDGE _____

for the

$$\begin{array}{c}) \\) \\) \\) \\) \\) \\) \\) \\) \\) \\) \\) \end{array}$$

V.

Defendant(s)

Signature of Clerk or Deputy Clerk

Civil Action No. _____

PROOF OF SERVICE*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* _____
 was received by me on *(date)* _____ .

☐ I personally served the summons on the individual at *(place)* _____
 _____ on *(date)* _____ ; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* _____
 _____ , a person of suitable age and discretion who resides there,
 on *(date)* _____ , and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* _____ , who is
 designated by law to accept service of process on behalf of *(name of organization)* _____
 _____ on *(date)* _____ ; or

☐ I returned the summons unexecuted because _____ ; or

☐ Other *(specify)*: _____ .

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

_____ District of _____

Plaintiff(s)

v.

Defendant(s)

)
)
)
)
)
)
)
)
)
)
)

Civil Action No. _____

SUMMONS IN A CIVIL ACTION

To: *(Defendant's name and address)*

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: _____

Signature of Clerk or Deputy Clerk

Civil Action No. _____

PROOF OF SERVICE*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* _____
 was received by me on *(date)* _____.

☐ I personally served the summons on the individual at *(place)* _____
 _____ on *(date)* _____; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* _____
 _____, a person of suitable age and discretion who resides there,
 on *(date)* _____, and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* _____, who is
 designated by law to accept service of process on behalf of *(name of organization)* _____
 _____ on *(date)* _____; or

☐ I returned the summons unexecuted because _____; or

☐ Other *(specify)*: _____.

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____.

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc: